

**STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Bulletin 2006-05-INS

**In the matter of Discount and Surcharge
Information Respecting Property and Casualty
Group Rate Filings**

**Issued and entered
this 19th day of June 2006
by Linda A. Watters
Commissioner**

This Bulletin applies to all insurers that submit rate filings or amended rate filings under Chapters 24 and 26 of the Insurance Code, MCL 2400 *et seq.* and MCL 2600 *et seq.*, where those filings include group rated discounts or surcharges. It supercedes Bulletin 2006-03-INS.

The Commissioner is charged with disapproving rates that are unfairly discriminatory under MCL 500.2403(1)(d) and MCL 500.2603(1)(d). The Commissioner is authorized to give notice to an insurer to furnish information upon which it supports its filing pursuant to MCL 500.2406(1) and MCL 500.2606(1).

The Commissioner has determined that she needs the following information to determine whether a rate filing meets the standards of Chapter 24 or Chapter 26:

1. A list of the groups receiving discounts or surcharges as of the effective date of the rate filing. The list may state the actual name of each group or each group may be identified by a number or letter.
2. For each group, the discount or surcharge factor that is applied. This may be expressed as a percentage or as a modification factor. No additional actuarial justification or supporting data is required with a filing, but the Commissioner may require this information on a case-by-case basis.
3. A statement of where and how in the rating process the group discount or surcharge is applied. For example, "Liability rate plus collision rate plus comprehensive rate equals total premium times group discount/surcharge equals modified or final premium."

On and after July 1, 2006, where an insurer submits a filing that omits the information specified above, the staff will give written notice to the insurer to furnish the information. The Commissioner will have 15 days after the information is furnished to approve or disapprove the filing.

Any questions regarding this bulletin should be directed to:

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